



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

Jon M. Huntsman, Jr.
Governor

Kevin S. Carter
Director

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

cc: Paul

May 3, 2005

Ralph Simpson
920 South 1500 East
Vernal, UT 84078

RE: Mineral Materials Permit ML 49565-MP
DOGM Permit S/047/078

Dear Mr. Simpson:

From our recent telephone conversation it appears that there may be some confusion regarding the status of mineral materials permit ML 49565-MP. The permit was originally issued for a three year term beginning December 1, 2004, with requirement that the permittee annually pay a rental in the amount of \$800.00. It is the permittee's obligation to be aware of the written terms and conditions of the permit and to timely submit all required payments to the Trust Lands Administration. Upon failure to pay the second-year annual rental on or before December 1, 2005 the permit was cancelled by the Director on January 1, 2006. Permits that are cancelled for non-payment may not be reinstated and you no longer have any rights relevant to the permit.

Production of building stone not heretofore reported to the Trust Lands Administration from the lands covered by the cancelled permit must immediately be reported to the Trust Lands Administration. Remaining inventories or pallets of stone must be removed from the lands and all outstanding royalties accruing to the permit must be paid. Mined land disturbances resulting from your operations must immediately be reclaimed and all pallets, wire and other debris must be removed from the lands.

In the event you are interested in obtaining a new building stone permit upon trust lands, I will be happy to discuss the matter with you once that all outstanding issues are resolved regarding the recently cancelled permit.

Sincerely,

John T. Blake
Trust Lands Specialist

CC: Paul Baker